

ORIGINAL

698174

RECEIVED

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

FEB 25 2009

Dav. Co. Chancery Court

STATE OF TENNESSEE, ex rel.
LESLIE A. NEWMAN, Commissioner of
Commerce and Insurance for the State
of Tennessee,

Petitioner,

v.

UNIVERSAL CARE OF TENNESSEE,
INC.,

Respondents.

F0-9
No. 03-1614-II
T

FILED
2009 MAR -3 PM 2:27
CLERK & MASTER CL.
DAVIDSON CO. CHANCERY CT.
D.C. & M.

FINAL ORDER OF TERMINATION OF LIQUIDATION
AND DISCHARGE OF LIQUIDATOR

This matter came on to be heard on February 13, 2009, upon the motion of Leslie A. Newman, Liquidator of Universal Care of Tennessee ("UCT") to terminate the liquidation of UCT and discharge the liquidator. No opposition to the motion was filed. Pursuant to the Court's request at the hearing, a supplemental affidavit of Paul Eggers was filed. Based upon the Court's review of the Motion, the supporting and the supplemental affidavits of Paul Eggers and the exhibits thereto, and the arguments of counsel, the Court finds that:

1. Pursuant to the Court's Order entered April 4, 2008 (the "Distribution Order"), the Liquidator has made the final distribution to approved Class 2 claimants, paying 63.4% of the approved amount of their claims, a total of \$32,057,550.46, and the Liquidator has transferred all unclaimed funds to the State Treasurer.

2. The Liquidator has mailed an Internal Revenue Service (IRS) Form 1099 to each person who received a payment from UCT during 2008, and has submitted to the IRS a 1096

Report, a Form 945, and the penalty tax withholding for providers that failed to submit to the Liquidator updated and correct taxpayer identification numbers prior to the final distribution to claimants.

3. All known obligations of the receivership have been accounted for and reconciled.

4. All fees for UCT's special deputy liquidator, legal counsel and independent contractors through December 31, 2008, have been paid by the Liquidation and have been approved by the Court in accordance with *Tenn. Code Ann. § 56-9-310(a)(4)*.

5. The administrative fees and expenses incurred after January 1, 2009, will be approximately \$33,924.00, barring no unexpected occurrences. The billing statements of UCT's special deputy liquidator, legal counsel and independent contractors for the period on and after January 1, 2009, will be submitted to the Liquidator and her staff for review and approval in accordance with the Department's administrative guidelines. Only the actual fees that are determined by the Liquidator upon proper review to be reasonable will be approved and paid by the Liquidator. No further fee motions are required by the Court.

6. After payment of the remaining Class 1 administrative expenses for January 1, 2009 through the close of the Liquidation, including court costs, approximately \$747.00 will remain in UCT's account. It would be uneconomic to distribute this amount to approved Class 2 claimants. Funds remaining in UCT's account after payment of the remaining Class 1 administrative expenses should be transferred to the closed estate fund maintained at the direction of the Commissioner of the Tennessee Department of Commerce and Insurance pursuant to *Tenn. Code Ann. § 56-9-333(a)* to assist with administrative expenses of receiverships that lack sufficient assets to fund administration costs of receivership proceedings.

7. As all of the assets of the UCT estate justifying the expense of collection and distribution have been distributed and there are no additional assets of the Liquidation, it is unreasonable to incur additional costs of maintaining any additional records that are in the Liquidator's possession, custody, or control at the time of entry of this final order of termination.

Accordingly, the Motion for Final Order of Termination of the Liquidation of UCT and Discharge of the Liquidator is hereby APPROVED and the Court hereby ORDERS the following:

1. The Liquidation of UCT is terminated.
2. The Liquidator, along with her staff and prior statutory receivers and special deputy receivers, are finally and fully discharged from all duties as Liquidator of the UCT receivership pursuant to *Tenn. Code Ann. § 56-9-334(a)*.
3. Pursuant to *Tenn. Code Ann. § 56-9-310(a)(4)*, the Liquidator shall pay all Class 1 administrative fees for outside counsel and third party contractors from January 1, 2009, through the final discharge of the Liquidation that the Liquidator determines payable after the proper administrative review, and no further fee motions are to be submitted to the Court.
4. The Liquidator shall pay all remaining court costs in this case.
5. Pursuant to *Tenn. Code Ann. § 56-9-336*, the Liquidator shall destroy any remaining documents that are in the Liquidator's possession, custody, or control thirty (30) days after the entry of this final order of termination of the Liquidation.
6. After the payment of all remaining Class 1 administrative expenses and fees, the Liquidator shall transfer the remaining reserve funds of the UCT estate to the closed estate no asset fund maintained at the direction of the Commissioner of the

Tennessee Department of Commerce and Insurance pursuant to *Tenn. Code Ann. §*
56-9-333(a).

7. This is a final order.

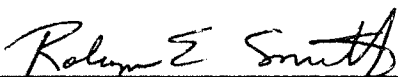
IT IS SO ORDERED on this the ____ day of _____, 2009.



CHANCELLOR CAROL McCOY

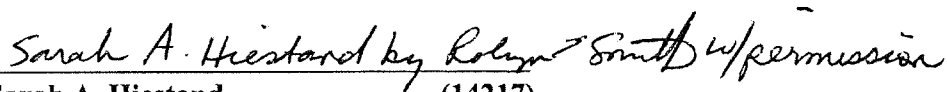
Approved for entry by:

HUBBARD, BERRY & HARRIS, PLLC

By: 
William B. Hubbard (2770)
Robyn E. Smith (16297)
SunTrust Bank Building, Suite 1420
201 Fourth Avenue, North
Nashville, Tennessee 37219
615-251-5468

Attorneys for the Liquidator of Universal Care of Tennessee

ATTORNEY GENERAL AND REPORTER

By: 
Sarah A. Hiestand (14217)
Senior Counsel, Financial Division
P.O. Box 20207
Nashville, TN 37202
615-741-6035

Attorneys for the Commissioner of Commerce and Insurance, State of Tennessee

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing document has been forwarded by first class mail to the following individuals on this the 25th day of February, 2009:

Betty Boner
General Counsel
State of Tennessee TennCare Bureau
310 Great Circle Rd.
Nashville, TN 37243

Michelle Long
General Counsel
Tennessee Hospital Association
500 Interstate Blvd. South
Nashville, TN 37210

David Steed
Cornelius & Collins
P.O. Box 190695
Nashville, TN 37219

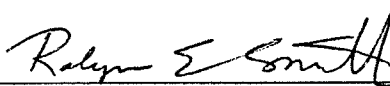
Gayla Sasser
Executive Director
Tennessee Association for Home Care
131 Donelson Pike
Nashville Tn. 37214-2901

Melissa Wilson
Executive Director
Tn. Medical Group Management Assn
4733 Holly Springs Road
Nashville, Tn. 37221

Franke P. Elliott
Vice President of Managed Care
HCA
110 Winners Circle, 1st Floor
Brentwood, TN 37027

Page Kisber
President
Hospital Affiliates of Tennessee
211 Seventh Ave. North
Nashville, Tn. 37219

Mary Jo Price
General Counsel's Office
Vanderbilt University
2100 West End Ave., Ste. 750
Nashville Tn. 37203



Robyn E. Smith